



THE ASSISTANT SECRETARY OF THE NAVY

Research Development and Acquisition

1000 Navy Pentagon

Washington DC 20350-1000

OCT 12 2004

The Honorable Duncan L. Hunter
Chairman, Committee on
Armed Services
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Notification of a prime vendor-type contract award is submitted pursuant to Public Law 105-261, Section 346, and Public Law 106-065, Section 336. The Navy proposes a performance based logistics (PBL) contract award to General Electric Aircraft Engines (GEAE), Lynn, MA, for PBL support of the F414 engine used in the F/A-18E/F aircraft. The four reporting requirements are addressed below:

Competitive Procedures: The proposed contract was synopsized on the Federal Business Opportunities website on October 14, 2003, and no business concerns other than GEAE expressed an interest in the procurement. The contract was solicited on a sole-source basis and will be awarded to GEAE as authorized by a properly executed Justification and Approval for other than full and open competition, which was approved on February 12, 2004.

Business Case Analysis Summary of Costs and Benefits: A business case analysis conducted by the Naval Inventory Control Point demonstrated projected minimum savings over the life of the contract to be \$15.7 million.

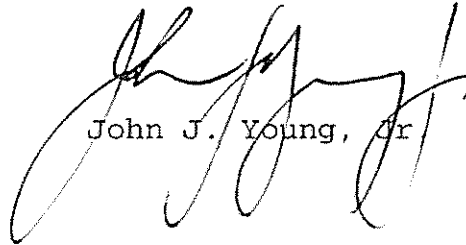
Conformance to Requirements of Title 10 USC 2466: Award of this contract will not cause the Navy to exceed statutory limits prescribed by Title 10 USC 2466. Workload will be performed by an organic depot under this contract. The contractor will form a partnership with the Naval Air Depot Jacksonville, FL, to provide repair touch labor for the repairable items under this contract.

Conformance to Requirements of Title 10 USC 2464: The proposed contract is consistent with the core logistics policies, requirements and restrictions in Title 10 USC 2464. As noted above, the proposed contract will be supported by an

industry-government partnership. The Navy will maintain core logistics capability after award of this contract.

A similar letter has been sent to Chairmen Warner, Stevens, and Lewis. As always, if I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John J. Young, Jr.', with a large, stylized initial 'J'.

Copy to:
The Honorable Ike Skelton
Ranking Minority Member